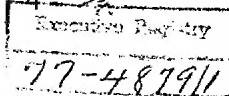




EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 25 1977



OMB
14 July 77

Mr. John E. Blake
Acting Deputy Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Blake:

Thank you for your letter of July 14, 1977 regarding the Federal ADP Reorganization Project. Your suggested six additional issuances will be considered in the course of the study. Your offer of active participation on several of the task forces is greatly appreciated.

Sincerely,

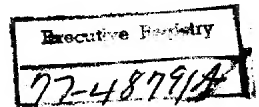
Wayne A. Granquist
Associate Director for
Administrative Management

MORI/CDF Pages 1-7, 9 & 10

EXECUTIVE REGISTRY FILE

OMB

77-3979



14 July 1977

OMB
15 June 77

Mr. Wayne G. Granquist
Associate Director for Administrative Management
Office of Management and Budget
President's Reorganization Project
Washington, D. C. 20503

Dear Mr. Granquist:

In response to your letter to Director Turner dated June 15, 1977, let me say first that I strongly endorse a study to improve the management of Federal data processing resources. This is a familiar subject to me since I have recently initiated several positive steps to improve ADP management in this Agency.

We currently have personnel working on many of the issues you listed but have not made any comments on the issues themselves, believing that opportunity will come as a part of our participation in the study. My staff has suggested six additional issues for consideration. They are:

1. Guidelines for sharing data bases among organizations.
2. Guidelines for joint system development between organizations.
3. Policy and guidelines concerning micro-computers (personal computers).
4. Centralized procurement of unbundled systems software.
5. Special problems concerning ADP systems processing sensitive information, particularly implementation of contracting-out guidelines.
6. Impact of the trend toward decentralization of ADP facilities on current Federal management procedures and policies.

(EXECUTIVE REGISTRY FILE

OMB

We are interested in active participation in several of the issue oriented task forces and would be pleased if you will keep us advised on your plans.

Sincerely,



John F. Blake
Acting Deputy Director

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**PRESIDENT'S
REORGANIZATION
PROJECT**

Executive Registry
77-3579

Executive Registry
77-4879

WASHINGTON, D.C. 20503

JUN 15 1977

Honorable Stansfield Turner
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Turner:

In fiscal year 1978 the Federal Government will spend over \$4 billion and employ more than 150,000 people in the area of general purpose data processing. There is growing recognition that these resources are not being acquired and managed in the most economic and efficient manner. To address and begin to solve these problems, the President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP management and policy. An outline of the project is enclosed.

The President has established three basic criteria for the project: it should be based on careful and comprehensive analysis; it should be conducted in a manner which permits the largest number of people both within and outside Government to be involved; and it should be a decision forcing, action oriented process. Accordingly, one of our first objectives is to seek out and receive views from those persons and organizations with an interest in the management of Federal data processing resources.

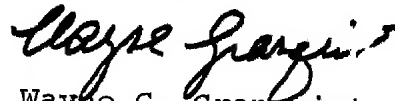
We invite your organization to submit comments to us by July 15, 1977 on the issues, problems and solutions that you believe should be addressed in a study dedicated to improving the management of Federal data processing resources. A list of issues and problems that have previously been identified is enclosed as an initial guide to our concerns. It is by no means all inclusive, so use or ignore this list as you deem appropriate.

In order to assure that all those concerned participate, please provide a copy of this letter to other persons and organizations who might be interested in submitting separate responses.

2

The management of Federal data processing resources is a significant factor in the delivery of governmental services and the operations of Government. The goal of this project is to assure the effective and efficient use of those resources. I hope you will help in achieving that goal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wayne Granquist".

Wayne G. Granquist
Associate Director for
Administrative Management

2 Enclosures

FEDERAL DATA PROCESSING REORGANIZATION STUDY

- ° In FY 1978, the Federal Government plans to spend more than \$4 billion and employ more than 150,000 Federal and contractor personnel to operate over 11,000 computers.
- ° Over the past few years there has been rising criticism of Government computer use. Serious questions exist about the adequacy of the management of these resources. There is also concern that this technology represents a threat to individual privacy.
- ° The ADP Reorganization Project will focus on:
 1. Improving productivity in the delivery of governmental services through the application of computer technology;
 2. Improving the acquisition, management and use of these resources; and
 3. Eliminating duplication and overlap in agency jurisdictions dealing with computer questions.
- ° While the study is intended to be a comprehensive re-examination of Federal data processing, it will be structured in a fashion which will permit pieces to be spun off and acted upon throughout the period of the study.
- ° It is anticipated that the full study and initial implementation of recommendations will take 10-12 months.
- ° The study will be coordinated as a part of the President's Reorganization Project and organized into a small full-time project management staff and a series of issue oriented task forces composed of individuals from the private sector, Federal agencies and OMB.
- ° Because various organizations associated with Federal data processing activities hold widely divergent views on objectives and priorities, special efforts will be made to solicit their input in the early stages of the study.

Enclosure 1

PRELIMINARY LIST OF FEDERAL DATA PROCESSING ISSUES

Data processing planning process
Requirements definition
Economic analysis (justification for use of data processing)
Evaluation of alternative sources of computer support
 (sharing, private sector, in-house, etc.)
Evaluation of alternative methods of procurement (full
 competition, brand name or equal, sole make and model,
 sole source, etc.)
Evaluation of alternative methods of financing procurements
 (outright purchase, lease, lease with option to purchase,
 lease to purchase, etc.)
Central agency (OMB, GSA, NBS) vs. user agency responsibilities
Central agency (OMB, GSA, NBS) policies and regulations
Convergence of data processing and telecommunications
Application life-cycle vs. equipment life cycle planning and
 management
Data processing application program evaluation
Integration of program and data processing budgets
Management audits of data processing operations
Processing of agency procurement requests
Delegations of procurement authority to agencies
Data processing planning and budget information
Interim upgrade policy
Software conversion cost policy
Software development and acquisition
Goals and objectives of standards program
Standards enforcement authority
Computer resources management systems
Data processing work accounting systems
Data processing job classifications
Certification of data processing personnel
Career development and training
Computer security policy
Full cost recovery policy
Data processing fund policy
Functional performance specifications policy
Software Exchange Program
Etc.

Enclosure 2

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